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SUBJECT: ITALY LEANING TOWARD UAE FOR IRENA HEADQUARTERS, STILL
CONSIDERING DIRECTOR GENERAL CHOICE

Refs: a) 6/22/09 Preston-Monosson e-mail b) State 59969

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¶1. (SBU) Summary. Italian Foreign Ministry officials said Italy is leaning toward the choice of the United Arab Emirates as the headquarters for the new International Renewable Energy Agency (IRENA), but the Italian position could still change if there are "important advances" in the case for Bonn or Vienna. Italy is now conducting bilateral consultations on the Director General choice, and will decide based on the concrete proposals for IRENA that the different candidates make. Italy wants very much to avoid duplication between IRENA and the International Energy Agency, and believes IRENA's focus should be on renewable energy technology deployment in developing countries and capacity-building. Italian ratification of the IRENA Statute is likely to take 12-18 months from now. The officials expressed enthusiasm about the possibility that the U.S. will join IRENA, and asked for an update on USG consultations with Congress and on the composition of the U.S. delegation (see para 9 action request). End summary.

ITALY LEANING TOWARD UAE HQ, BUT IT'S NOT A DONE DEAL

¶2. (SBU) Per ref b), on June 22 and 23 ECONOFF and SCICouns spoke with Italian Foreign Ministry (MFA) energy experts Massimiliano Calamea and Andrea Marroni about Italy's views on the International Renewable Energy Agency (IRENA). They stated that an Italian inter-ministerial committee decided on June 23 that while Italy will not give an official public position on the choice of a headquarters (HQ) site for IRENA, the GOI will express in informal contacts with other governments a preference for the UAE. Calamea and Marroni noted that if "important advances in the case for Bonn or Vienna were to be made," that position could change. Calamea noted informally that Portugal has already declared its support for the UAE HQ site, and Spain has told him that they will support it as well. (In turn, UAE reportedly will support the Spanish candidate for DG.) Calamea said he also had heard a rumor that France would support the UAE site, and that Austria would support Germany.

¶3. (SBU) Marroni noted that that German Chancellor Merkel had written to Italian PM Berlusconi the week before asking for his

support for Bonn as the headquarters choice. He commented that the German Government was "frustrated" that after all the work they had put into getting IRENA off the ground, the headquarters might end up in the UAE. Marroni asked if the U.S. had also received such a letter, and how the USG was dealing with German frustration on the headquarters issue, given the clear U.S. support for the UAE site.

CONSULTATIONS FOR DG CANDIDATE ONGOING

¶4. (SBU) Calamea and Marroni said that the inter-ministerial committee did not provide political-level guidance for the Italian delegation regarding the choice of a Director General (DG) candidate. Instead, GOI officials will be reaching out to the remaining DG candidates this week, and will choose among them based on how closely their proposals reflect Italy's objectives for IRENA.

Calamea noted that the Nigerian candidate had withdrawn his candidacy, leaving only European candidates for the position. This strengthens the case for the UAE headquarters choice, Calamea said, since many developing countries do not want IRENA to be seen as a European project, and having both a European DG and HQ would give that impression.

ITALIAN VISION FOR IRENA, PROPOSALS FOR ITS STRUCTURE

¶5. (SBU) According to Calamea, Italy wants to avoid the overlapping of IRENA's work with that of the IEA, especially since Paolo Frankl, an Italian, is likely to head the IEA's new renewable energy division. He said that Italy in particular does not want IRENA to re-produce the kind of scenarios that the IEA does. Calamea stated that IRENA instead should focus on capacity-building and technology transfer.

¶6. (SBU) According to Calamea, Italy would like to see at the Egypt ROME 00000736 002.2 OF 002

meeting next week concrete discussions on the structure of IRENA, and that Italy's proposal in this respect would be along these lines:

- a) an advisory board to provide private sector perspective, drawing on the EU experience with the solar technology platform; and
- b) some type of regional and/or thematic groupings (say, concentrating solar, North Africa; geothermal, Chile; hydro power, Balkans); there could also be regional responsibilities for information-sharing, in areas such as the Mediterranean basin, sub-Saharan Africa, Central America.

Calamea added that at the Egypt meeting Italy would also be interested in better understanding the types of directorates that are being proposed for IRENA, such as perhaps one for mature technologies, one for experimental technologies, and one for external affairs/outreach.

ITALIAN RATIFICATION IN 12-18 MONTHS, FUNDING SCENARIOS

¶7. (SBU) Calamea estimated a 1-year to 1.5-year time frame from now for Italy to ratify the IRENA Statute, but he qualified that has not been following this issue closely. He also opined that Italy could make voluntary contributions similar in amount to its assessed contributions until ratification takes place, but that this is not certain at this point. Marroni noted that in Italy's view, the proposed UAE funds should be additional to the contributions of member nations, not a substitute for them. He added that IRENA should meet the standards of international organizations in terms of transparency in budget and staff selection, and not become overly influenced by the UAE contributions.

ITALIAN INQUIRIES ON U.S. POSITION, DELEGATION

¶8. (SBU) Our Italian interlocutors inquired about the U.S. position on joining IRENA, and requested an update on the ongoing

consultation with Congress. Marroni asked about the composition of the U.S. delegation to the June 28-30 IRENA preparatory meeting in Egypt, and in particular if the Department of Energy would be represented. He noted that "one word from Secretary Chu" in support of IRENA would make a huge difference for the organization. Both Calamea and Marroni are expected to be part of the Italian delegation. The senior MFA delegate will be Minister Pier Benedetto Francese of the MFA's Economic Bureau, but the head of delegation may in the end be from the Economic Development Ministry, which has responsibility for energy affairs. (Note: Calamea is on loan to the MFA from Italian para-statal electricity firm ENEL, and Marroni is on loan from a government-owned company that promotes renewable energy, Gestori Servizi Elettrici (GSE). End note).

ACTION REQUEST

¶9. (SBU) Post would appreciate any information which can be shared with the GOI about the Administration's consultations with Congress on joining IRENA; members of the U.S. delegation to the June 28-30 meeting; and U.S.-Germany consultations on the IRENA HQ issue. In order for Post to share the information with the GOI before the meeting, Post would need to receive it by opening of business Washington time on June 26.

DIBBLE